

## Message Text

CONFIDENTIAL

PAGE 01 KUALA 04443 310845Z

43

ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

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PC-01 IO-10 /072 W

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R 310430Z JUL 75

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 730

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY WELLINGTON

CINCPAC

C O N F I D E N T I A L KUALA LUMPUR 4443

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PINT, MY

SUBJ: COMMENTS ON SABAH POLITICAL CRISIS

REF: KL 4374 AND PREVIOUS

1. WE HAVE BEEN HESITANT TO OFFER AND OVAEALL ASSESSMENT OF THE RECENT POLITICAL TURMOIL IN SABAH BECAUSE OF FAST-BREAKING EVENTS AND THE UNCLEAR INTENTIONS OF FEDERAL GOVT IN SEEKING REMOVAL OF CHIEF MINISTER TUN MUSTAPHA. YESTERDAY (JUL 29), FOR EXAMPLE, GOM ANNOUNCED APPOINTMENT OF NEW CHIEF OF STATE REPLACING TUN MOHD, FUAD (DONALD STEPHENS); HE IS DATUK INDAN BIN KARI, FORMER CHAIRMAN OF SABAH RICE AND PADI BOARD AND A LOYAL FOLLOWER OF MUSTAPHA. ALSO FUAD/STEPHENS HAS BECOME PRESIDENT OF OPPOSITION PARTY BERJAYA, DATUK HARRIS SALLEH HAVING STEPPED ASIDE IN HIS FAVOR. THIS FLUID SITUATION, COMBINED WITH PRIME MINISTER RAZAK'S INSCRUTABILITY, CONFIDENTIAL

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PAGE 02 KUALA 04443 310845Z

HAVE MADE ACCURATE PREDICTIONS DIFFICULT, IF NOT IMPOSSIBLE.

2. THERE ARE, HOWEVER, SEVERAL POINTS WORTH NOTING. FIRST, THE LIBERALIZATION OF SABAH POLITICS IN THE PAST THREE WEEKS IS LIKELY TO CONTINUE AND THE DAYS OF MUSTAPHA'S TIGHT-FISTED REPRESSION ARE OVER. PRESS PLAY ACCORDED TO THE SABAH CRISIS HAS BEEN REFRESHING AND, ON A NATIONAL SCALE, THE GOM MAY BE PERSUADED THAT A FREE DISCUSSION OF POLITICAL ISSUES IN THE MEDIA MAY NOT IN FACT BE HARMFUL (SEE KL A-011002, 1/9/75). SECOND, MUSTAPHA HAS BEEN DEPRIVED OF THE MEANS OF POLITICAL COERCION. PREVIOUSLY MUSTAPHA WAS ABLE TO USE THE POLICE TO KEEP POLITICAL DISSENTER IN LINE (OR IN JAIL) AND TO PREVENT OPEN ELECTIONS. ALSO, HE IS REPORTED TO HAVE BROUGHT THE ALLEGIANCE OF THE ARMY COMMANDER IN SABAH, USING THE ARMY TO FACILITATE GUN-RUNNING TO THE SOUTHERN PHILIPPINE MUSLIM REBELS AND ALLEGEDLY TO TRAIN A PARA-MILITARY FORCE OF FILIPINO MUSLIM "REFUGEES." IN APRIL, THE GOM ACCORDING TO RELIABLE SOURCES REMOVED MUSTAPHA'S POWERS OVER INTERNAL SECURITY AND HAS SINCE TAKEN STEPS TO ENSURE THAT THE POLICE AND ARMY WILL BE RESPONSIVE ONLY TO ORDERS FROM K.L. (PARA 4, KL 4190). MUSTAPHA, HOWEVER, STILL HAS CONSIDERABLE POPULAR APPEAL AND HE APPEARS TO MAINTAIN CONTROL OF THE CIVIL SERVICE AND OF THE UNITED SABAH NATIONAL ORGANIZATION (USNO).

3. THIRD, THE QUESTION OF SABAH'S SECESSION FROM THE FEDERATION IS SETTLED, FOR ALL PRACTICAL PURPOSES. BERJAYA (WITH FEDERAL GOVT BACKING) CALLED MUSTAPHA'S BLUFF ON SECESSION AND PUBLICLY WRUNG FROM HIM A DECLARATION OF LOYALTY TO MALAYSIA. NEVERTHELESS, THE WEASEL-WORDING OF MUSTAPHA'S MOTION OF CONFIDENCE THAT WILL BE TABLED IN THE STATE ASSEMBLY AUG 11 (PARA 3 REFTTEL) LEAVES OPEN IMPORTANT QUESTIONS AS TO STATE'S RIGHTS UNDER THE 1963 FEDERATION AGREEMENT. IF MUSTAPHA ENDURES (AND DOES NOT RETIRE VOLUNTARILY AS PM RAZAK WOULD LIKE HIM TO DO), HE WILL STILL BE IN A STRONG POSITION TO MAINTAIN SUBSTANTIAL SABAH AUTONOMY (SEE ALSO K.L. 3552 AND KL A-135, 8/2/73).

4. THE QUINTESSENTIAL ELEMENT IN THE SABAH CRISIS HAS BEEN THE POSITION OF THE FEDERAL GOVT AND, MORE PRECISELY, OF PM RAZAK. HAD RAZAK ACTED DECISIVELY TWO WEEKS

CONFIDENTIAL

PAGE 03 KUALA 04443 310845Z

AGO TO WELCOME BERJAYA INTO THE NATIONAL FRONT, OUSTING MUSTAPHA AND USNO COMPLETELY, QUICK ELECTIONS MIGHT HAVE TURNED THE TIDE IN BERJAYA'S FAVOR. ALSO, RAZAK SEEMINGLY COULD HAVE PREVENTED MUSTAPHA'S RETRENCHMENT IN SABAH POLITICS BY KEEPING FUAD/STEPHENS ON AS CHIEF OF STATE OR BY PREVENTING THE APPOINTMENT OF SUCH AN OBVIOUS MUSTAPHA FRONT MAN AS INDAN KRAL. INASMUCH AS SUCH APPOINTMENTS ARE MADE BY THE KING ON ADVICE

OF THE GOVT. RATHER THAN TAKE FIRM ACTION TO REMOVE MUSTAPHA. RAZAK HAS ALLOWED POLITICAL EVENTS TO DRIFT, AND THE FINAL CHAPTER WILL PROBABLY NOT BE WRITTEN FOR SOME TIME TO COME.

5. ON BALANCE, WE WOULD JUDGE THAT THE SABAH POLITICAL CRISIS DOES NOT REPRESENT A FUNDAMENTAL THREAT TO THE VIABILITY OF THE MALAYSIAN FEDERATION, ESPECIALLY NOW THAT MUSTAPHA HAS BEEN DEPRIVED OF HIS INTERNAL SECURITY POWERS AND HIS SECESSION THREAT HAS BEEN FULLY AIRED AND DEBATED PUBLICLY. DESPITE RAZAK'S EVIDENT INDECISIVENESS IN DEALING WITH MUSTAPHA, THE FEDERAL GOVT'S UNWILLINGNESS TO TOLERATE SABAH'S SECESSION - BY FORCE OF ARMS IF NECESSARY - IS CLEAR AND WE THINK IRREVERSIBLE. FINALLY, ALTHOUGH MALAYSIA'S SUPPORT OF THE MUSLIM REBELLION IN THE SOUTHERN PHILIPPINES WILL NOT BE DETERMINED BY MUSTAPHA'S POLITICAL FORTUNES ALONE, PM RAZAK MAY FIND IT EASIER TO REACH AN ACCOMMODATION WITH THE PHILIPPINES ON THE SOUTHERN PROBLEM IF MUSTAPHA'S POWER IN SABAH IS DIMINISHED.  
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